



CHAMPAIGN COUNTY BOARD COMMITTEE AGENDA

BUDGET PROCESS SPECIAL COMMITTEE
Brookens Administrative Center, Meeting Room Two
1776 E. Washington, Urbana
Monday, May 22, 2006 – 3:30 p.m.

CHAIR: Wysocki

MEMBERS: Busey, Frerichs, Gross, Knott, McGinty, Tapley, Welch

<u>ITEM</u>	<u>PAGE NO.</u>
I. <u>CALL TO ORDER</u>	
II. <u>ROLL CALL</u>	
III. <u>APPROVAL OF AGENDA/ADDENDUM</u>	
IV. <u>APPROVAL OF MINUTES</u> – February 2, 2006 and February 15, 2006	1-7
V. <u>PUBLIC PARTICIPATION</u>	
VI. <u>REVIEW PRIORITIES AND GOALS ESTABLISHED AT APRIL 17, 2006 JOINT MEETING WITH DEPARTMENT HEADS</u>	8-9
VII. <u>DISCUSSION – RECOMMENDATIONS TO BE FORWARDED TO FINANCE COMMITTEE FOR THE FY2007 BUDGET PREPARATION</u>	
VIII. <u>OTHER BUSINESS</u>	
IX. <u>ADJOURNMENT</u>	

Special Instruction – Please bring the Budget Process Assessment Questionnaires Binder with you to the meeting.

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

BUDGET PROCESS SPECIAL COMMITTEE

Thursday, February 2, 2006

Brookens Administrative Center, Meeting Room 2

1776 E. Washington St., Urbana

4:30 p.m.

MEMBERS PRESENT: Busey, Frerichs, Gross, Knott, McGinty, Tapley, Wysocki

MEMBERS ABSENT: Welch

OTHERS PRESENT: None

Call to Order

Chair Wysocki called the meeting to order at 4:37 p.m.

Roll Call

The Recording Secretary called the roll. Busey, Frerichs, Gross, McGinty, and Wysocki were present at the time of the roll call. The Chair declared a quorum and proceeded with the meeting.

Approval of Agenda/Addendum

MOTION by Gross to approve the agenda; seconded by Frerichs. Motion carried

Public Participation

There was no one for public participation.

Review and Discussion of GFOA Training Budgeting for Outcomes

Wysocki suggested those who attended the GFOA Training Budgeting for Outcomes teleconference share their impressions of the presentation and those ideas that might be incorporated into Champaign County's budget process. McGinty gave his impression of the teleconference. He said it is important to determine what outcomes the County wishes to achieve (by listening to County administration, County Board, and citizens), determine outcomes for specific departments, define the price the County is willing to pay for those services, and have the department heads determine what services they can provide for that price to reach those outcomes. This would represent quite a change from the current budget process and it would allow the County Board to be more intelligent about dealing with a state of continual fiscal crisis. Governments that have undergone this process have said the process is not easy, but the final outcome is beneficial.

Tapley entered the meeting at 4:41 p.m.

Gross stated she felt an inordinate amount of time in the budget process is spent on a small portion of the overall budget. A better method could be developed. She liked the idea of knowing what the goals are in a budget process. Sometimes decisions are made based on the mood of the moment instead of being made based on goals. The budget should be representative of the County's goals. Gross suggested an annual goal-setting and a five to ten year goal-setting. This would give a better overview of large projects such as the building of

facilities. Gross stated the most common question she was asked when she was running for the County Board was, "What does the County do, anyway?" It would be a good idea to inform the public about the services the County provides. Gross asked if budgeting for outcomes would create more work for Busey in preparing the budget. Busey answered that it would be more work for everyone involved, but it would be worthwhile.

Knott entered the meeting at 4:45 p.m.

Busey stated a successful transition to a budget process where the County Board is actually buying results instead of regurgitating budgets each year would take three to five years to effectively complete. Gross noted the County is in a permanent fiscal crisis mainly because federal tax cuts have meant fewer grants and other funding. Tapley stated the current budget process is good and laudable. He agrees that it can be improved upon and the budgeting for outcomes method could be a very useful tool. Tapley approved of a general, from-the-bottom-up examination of everything that is being done. He is aware that he will likely not agree with all the goals that will be set by the full County Board, but this process would be a useful mechanism for serving the public and affecting what they want. A thorough examination of the budget process will show ways the County could work more efficiently.

Busey said converting the budget process appears to be a daunting task. It is not possible to completely convert for the FY2007 budget process. She suggested the County start with some small steps, namely obtaining some stakeholder input to determine the priorities (input could come from the public, department heads, and County employees). The big,small.all project could eventually be a source for discovering the community's priorities. For the FY2007 budget process, the committee could figure out a design to get stakeholder input from department heads and elected officials to establish some broad goals. These goals could be reviewed with large County employee groups via email or employee hearings. Busey passed out information about the budget process in Snohomish County, Washington. Snohomish County used the budgeting for outcomes method and can be viewed as an example to decide what the committee wants the department heads and elected officials to tell them. A starting point would be if the department heads could tell the committee their ideal vision for providing the best results to the taxpayers so they are getting the most for their money. The department heads could start looking at organizing budgets according to what resources are needed to provide certain services, instead of only looking at what was done the previous year. McGinty stated the County departments need to focus on outcomes in order to show citizens what services they are getting from each department.

Knott said he felt the key challenge is fear of uncertainty and this anxiety should be addressed early on in the process. This budget process is not about cutting jobs. Busey recommended figuring out a way to get department heads to change the way they look at the budgets and how they present budget requests. Tapley encouraged the idea of cooperation between departments and sharing staff during surges, such as tax collection and elections. If people understand the purpose of the process, any fear about the process will lessen.

Tapley stated the FY2006 budget process was smoother because Busey prioritized items and the County Board members could see what priority would have to be cut if another priority was funded. Busey said a new approach with the FY2006 budget process was the group meetings of the Justice System Users Group and the Administrative/Real Estate Group to review the budget change requests coming from those departments and voting on priorities for the group as a whole. It did not work perfectly and department heads are reluctant to lose any autonomy. One of the priorities the County Board could set for the budget process is for departments to work together to provide cooperative solutions particularly where new funding is requested. There is some concern about who an employee would report to if the employee worked in two different offices, but it could be managed. The committee discussed the different operations of various departments and offices that have slow periods within the year. Tapley recommended considering having a shared employee if three departments were each requesting an additional employee and enough funding was not available. Knott suggested the possibility of having a pool of Administrative Services employees who could work in other County departments.

Discussion Regarding Strategy for Development of FY2007 Budget Process

Wysocki asked what could be realistically achieved for the FY2007 budget process. McGinty suggested having department heads list what resources they need for the services they provide and getting the department heads working on this now to meet with the committee to identify broad goals. Busey passed out an RFP for Public Safety Law & Justice so the committee could see an example proposal when all funding must be requested from the County Board in an RFP format. Busey stated it is important to make sure to ask all the right questions the first time. Each office should develop an analysis of what services they provide to the County and what they need to do it. Many offices are mired in day-to-day functions and it is unlikely they have undergone a review of their services. It is extremely important to state that the intent is to spend the money in the best way possible, not to make cuts in a department. Knott asked what would be done if a department head was not a willing player. Busey said more detail would have to be requested from that department head. Gross said if a department head did not provide the necessary information then their budget would get risky.

Tapley asked if Busey and Wysocki could develop a way to ask for the information from the department heads and come back to the committee with these ideas. Busey said for the next meeting they could develop a recommendation of how to format the request for the information. If the committee approves the format, it can be sent to department heads. Busey asked if the committee wanted to meet individually with each department head or in a group. It will take an effort on behalf of the department heads to compile this information. The committee continued to discuss the method of getting the information from the departments.

The committee agreed that Busey and Wysocki should work on formulating questions and a mechanism for how to talk to department heads. The committee agreed to meet in two weeks to review the documents assembled by Busey and Wysocki. The next meeting was set for February 15th at 5:00 p.m.

Knott asked if Administrative Services would be willing to serve as a guinea pig for this process. Busey answered Administrative Services is in the midst of developing a strategic plan for IT that she would like to present. It is likely IT will require restructuring due to changes over the years. This could be the first step in producing a results oriented approach to a budget request. Knott described the University of Illinois's fee for service with its in-house IT Services. He suggested possibly instituting something similar at the County. The committee concurred with this idea. Busey noted an IT Helpdesk has been implemented at the County to document all IT requests. The County will be able to show what is being asked of IT and what is being delivered.

Other Business

There was no other business.

Adjournment

MOTION by Gross to adjourn; seconded by McGinty. Motion carried. The Chair adjourned the meeting at 5:35 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

BUDGET PROCESS SPECIAL COMMITTEE
Wednesday, February 15, 2006
Brookens Administrative Center, Meeting Room 2
1776 E. Washington St., Urbana

5:00 p.m.

MEMBERS PRESENT: Busey, Frerichs, Gross, Knott, McGinty, Tapley, Welch, Wysocki

MEMBERS ABSENT: None

OTHERS PRESENT: None

Call to Order

Chair Wysocki called the meeting to order at 5:02 p.m.

Roll Call

The Recording Secretary called the roll. Busey, Gross, McGinty, Tapley, Welch, and Wysocki were present at the time of the roll call. The Chair declared a quorum and proceeded with the meeting.

Approval of Agenda/Addendum

MOTION by Gross to approve the agenda; seconded by McGinty. Motion carried

Public Participation

There was no one for public participation.

Discussion Regarding Strategy for Development of FY2007 Budget Process

Busey, pursuant to the committee's direction at the previous meeting, developed a questionnaire to be used to solicit input from department heads regarding their priorities and needs as the committee attempts to help the Finance Committee establish some broad goals and priorities for the FY2007 budget process. Busey provided this document to the committee. The document was designed to not be too overwhelming and still collect the requested information. Welch already prepared a response to Busey's questionnaire and provided it to the committee. Welch reviewed his response so the committee could see how a department head would react. Welch's response included an organizational chart of the Treasurer's Office, and assessment of the programs his office provides, a brief budget, and an assessment of Welch's vision for the future of the Treasurer's Office.

Knott and Frerichs entered the meeting at 5:05 p.m.

Welch stated some people might not be aware of all the services provided by the Treasurer's Office including conducting the annual tax sale, managing millions of dollars, collecting taxes, investing the County departments' funds, bookkeeping, correcting tax bills, and answering the public's questions. Welch then gave a three-year financial history of his department. Salaries & Wages in the Treasurer's Office have dropped by 3.16% over the last three years. This drop is due to the retirement of two long-time employees. Commodities & Services have dropped 12.77% over three years. Tapley asked what the decrease represented. Welch explained

the Treasurer has an automation fund. Welch is allowed by law to pay for certain things out of the automation fund instead of using the General Corporate Fund. Welch has tried to pay for more out of the automation fund instead of the General Corporate Fund. This has enabled the Treasurer's Office to live on a leaner budget. Welch noted his expenses have decreased during times when budgets were cut across the board. He has worked to adjust to budget cuts because any loss of money is deeply felt in small departments such as the Treasurer's Office. Welch stated his office could not have survived the budget cuts without his automation fund. The revenue for the Treasurer's Office increased from \$562,224 in 2003 to \$632,811 in 2005. The 12.56% increase is primarily due to higher interest earnings and his office's determined efforts to collect all delinquent late charges. Welch envisions a future Treasurer's Office that, through excellent communications, is understandable to taxpayers and, through the use of technology, is accessible to the public without requiring them to make a trip to Brookens Administrative Center. Welch foresees a future where tax bills can be emailed to tax payers. Allowing tax payers to enroll online could save a great deal of time. He has considered the use of a computer template that would allow his office to do repetitive entries for cash receipts much faster and easier. He would like to streamline distribution programs for real estate. Overall, Welch would like to reduce the volume of paper generated by his office and provide creative time for his staff to come up with ideas to better the office.

To achieve this vision, Welch stated his staff never settles for the status quo. They are always looking for new and better ways to do a job. The Treasurer's staff makes use contacts in other counties, the Internet, and experience, such as Welch's thirty-three years in the department. Welch felt access to computer programmers would be a huge key to success, but he was very aware that he does not have sole access to the programmers. Welch maintains contact with other County Treasurers and learns how they solve certain problems. Future budgets changes and legislation could change the focus of his office and prevent achievement of his goals. Welch stated producing this report for the committee took a couple of hours and he enjoyed doing it.

Gross asked if Welch's staff had input in the creation of this document. Welch said he showed them a draft version and they made suggestions. McGinty stated he thought Welch's response was terrific, especially the specific future services that could be provided to citizens. Busey noted producing this report will be a good exercise for elected officials and departments because they will review their last three budgets. She hopes to see measurable responses from the department heads, so they County Board will see common threads throughout various departments where the money should be spent. The committee continued to discuss response from department heads. Welch answered Gross's questions about payment of tax bills.

Wysocki asked if the Treasurer's budget dropped over the three years. Welch explained he provided his actual numbers of what was spent, not what was budgeted. The Treasurer's budget mainly stayed the same, Welch managed to spend less. Welch was able to make this happen by moving certain bank fees, some tax bill preparation, and some tax bill mailing to the automation fund. The law only allows the automation fund to be used to pay for certain items. Gross asked the current balance of the automation fund. Welch stated the fund has a balance of about \$45,000. It is replenished by several sources: \$10 fee from every tax sale item and fees for duplicate tax bills. Welch pays for technology out of the automation fund, instead of the capital improvement fund. This allows him to purchase technology as it is needed by his staff.

Frerichs said the budget process would be useful. The process will be better the greater the number of participating departments. Frerichs asked if the committee wanted all departments to produce a report similar to Welch's. Wysocki asked if Frerichs thought producing a report would be possible after hearing Welch's response. Frerichs said it looked doable. Requiring department heads to produce such reports might potentially slow down the budget process during the first year because many questions would be generated. Tapley agreed the first time the process is used will take more time, but it would mean better long-term efficiency. Tapley liked the ideas to reduce paper and to have offices share staff, especially offices with peak times during a year. Welch said a collaborative effort can be seen in the tax cycle group with the Treasurer's Office proofing tax bills for the County Clerk's Office. Welch has made a point to ask other County offices about what frustrates them about his office and what they like about his office. This has resulted in some useful feedback. Gross asked

how many temporary employees work in Welch's office during the summer. Welch replied there are two employees. Busey hopes the County Board could identify areas where departments could collaborate and share assets, such as within the tax cycle group and the justice group. McGinty asked if a template could be created for departments to use in order to make the form less time-consuming. He realized completing this form would be very different for the different departments. The committee discussed the template idea and decided it would not be workable because of the variety of departments. Busey suggested that once the information is received from the departments, it could be consolidated into tables so the Board could have the information in a concise format. McGinty recommended sending the questionnaire to department heads sooner rather than later to allow them adequate response time. The committee agreed. Tapley recommended expressing to the department heads that the intent of this questionnaire is not to micromanage the departments. He suggested presenting the material at a large meeting of the department heads in order to explain the intended purpose. The committee decided a meeting with the elected officials and department heads to present and discuss the questionnaire would be the best way to approach the matter.

Wysocki asked if the department heads should receive Welch's response to the questionnaire as an example of what to do. Busey expressed concern that some departments might follow Welch's model exactly and not give enough thought to the individuality of their units. Gross stated Welch's example could not apply to bigger department, such as the Nursing Home and the Sheriff's Office.

Knott asked how the County Board should respond to any department head or elected official who declines to participate in the process. Frerichs noted the County Board has control over the budget. If a department head or elected official refuses to comply with the process, then the County Board could assume that department could manage with less funding. Welch encouraged letting the department heads know what the County Board ultimately plans to do with the information in order to remove any fear about the process. Busey stated this process is about stakeholder input. The County Board wants to know what services are being provided for the money. Tapley suggested casting the process in terms of developing a long-term vision for Champaign County finances. The County Board is looking to establish priorities to avoid across the board cuts in times of financial crisis. It is better to develop this process during a time when the County is not in financial crisis. The purpose of this process is not to cut departments' funding. Gross said the health care and IMRF costs are breaking the County and require long-range planning. The committee agreed that a meeting with department heads should be arranged.

Frerichs exited the meeting at 5:50 p.m.

McGinty stated Welch's and Frerichs' input will be valuable to the process. Tapley recommend Busey or Wysocki speak to several department heads in advance of the meeting to gain their cooperation with the process. Busey asked if the committee wanted to include the Special Fund departments. The committee agreed to start with the General Corporate departments only. The budget process could be of value by having department heads more engaged in owning the dollars of their budgets. McGinty said this process could help add structure to departments' budgeting.

Busey was assigned to look at possible opportunities for the meeting with the committee and departments heads. March 6th would be the earliest possible date. A meeting time early in the morning or towards the end of the today would likely be the most accommodating.

Other Business

There was no other business.

Adjournment

Wysocki declared the meeting adjourned at 5:55 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.

COUNTY BOARD MISSION STATEMENT:

To serve the citizens of Champaign County by ensuring the statutory requirements for improving county government are fully funded and administered in Champaign County.

PRIORITIES:

1. *Champaign County places priority on the ease of access and availability of services and information to its citizens through ongoing development of e-government and web-based technology.*
2. *Champaign County places priority on maintaining and enhancing its own fiscal stability.*
3. *Champaign County values partnership with our employees and places priority on the fair and equitable establishment of compensation and benefits for our employees in recognition of the effective, efficient, and innovative support of our employees as they represent the core values of county government in their daily activities.*

GOALS:

Priority No. 1: Ease of access and availability of services and information to citizens.

- More information readily accessible – both inside and outside of county government.
- Development of information access through technology resources
- Evaluation of IT infrastructure and assessment of new programming strategies to be incorporated within that infrastructure

Priority No. 2: Maintaining and enhancing Champaign County’s fiscal stability

- Identification of *mandated* vs. *discretionary* services
- Development and implementation of a multi-year plan – planned quality growth
- Performance evaluation of services
- Establishment of adequate reserves within County’s fund balances for “rainy” day
- Regular review and evaluation of revenue streams and opportunities
- Interdepartmental cooperation to identify successful strategies to be implemented across departmental lines, e.g.: tax cycle, continuous jury, etc.

- Partner with other local governments to provide collaboration in service delivery
- Develop communication with state legislative officials to ensure the State is a full partner in the funding of mandated services

Priority No. 3: Partnership with employees

- Appropriate, market-rate compensation plans
- Establishment of clear performance expectations to guide behaviors and actions of employees
- Evaluation of work-loads and establishment of appropriate staffing levels
- Communicate what is going on in County Government
- Development of operating efficiencies which could produce potential tax savings
- Quality services delivered in a professional manner
- Delivery of appropriate training opportunities to create a well-informed and efficient workforce